

Appln. No. 09/927,462
Submission for RCE dated May 18, 2004
Amendment Responsive to Office Action of December 18, 2003

REMARKS/ARGUMENTS

Claims 36-58 are currently pending. Claims 36, 38, 39, 41, 50, 52, 53 and 54 have been amended, and claims 55-58 have been added. No new matter has been added by way of these amendments or new claims. Support for these amendments and new claims can be found at least at pp. 2, lines 15-18; p. 3, lines 5-7; p. 4, lines 1-2, lines 6-8 and lines 17-20; p. 5, lines 17-20; p. 6, line 16-¶ 7, line 5; p. 7, lines 16-22; p. 8, line 19- p. 9, line 2; p. 11, lines 3-9; and Fig. 4 of the Specification as filed. Applicant's responses to the Examiner's rejections of the Office Action dated December 18, 2003 are set forth fully below.

The invention relates to a reward attributed to an account and a collective account associated with an organization, where a tagholder is associated with a tag and an account, which are both associated with a financial institution. Two rewards are attributed - a first reward to an account which is calculated based on aggregate tag usage and a second reward which is attributed to the collective account of an organization. These rewards are separate from, and are determined independently of, account usage, which may qualify the tagholder for yet a third reward. Further, the first reward is based on aggregate tag usage which may be accumulated based on the purchase of goods or services at multiple merchants. Additionally, the first reward is distributed to the tagholder either by the financial institution or upon demand by the tagholder to the financial institution. The first reward may be attributed to an account associated with a prefunded account, where the tag is associated with the prefunded account.

A. Claim Rejections Under 35 U.S.C. § 103.

Previously pending claims 36, 39-41, 44-47 and 50-54 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, Jr., U.S. Patent No. 6,078,888, ("Johnson") in view of Walker et. al., U.S. Patent No. 6,128,599 ("Walker"). See Office Action at 2. Claims 42 and 43 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Akiyama, U.S. Patent No. 5,745,049 ("Akiyama"). See Office Action at 6. Claims 48 and 49 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Ricci et. al., U.S. Patent No. 6,463,039 ("Ricci"). See Office Action at 6-7. Claims 37 and 38 were rejected as

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allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Khan et. al., U.S. Patent No. 6,263,316 ("Khan"). See Office Action at 7-8. Applicant submits that the cited references do not disclose each and every limitation of claims 36-54, as originally written or as amended, or new claims 55-58, and that this rejection should be withdrawn for failure to support a *prima facie* case of obviousness.

1. Claims 36, 39-41, 44-47 and 50-58.

Claims 36, 39-41, 44-47 and 50-54 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson in view of Walker. See Office Action at 2. The Examiner concludes as the basis for this rejection that it would have been obvious for one of ordinary skill in the art to employ the method of "processing customized group reward offers" of Walker with the "tags . . . having association with a credit/debit card of Johnson." See Office Action at 4. Applicant submits that Johnson in conjunction with Walker does not disclose a reward calculated by a host computer of a financial institution based on aggregate tag usage that is attributed to an account, and a second reward attributed to a collective account of an organization; attributing a reward to a second account that is associated with a prefunded account, where the prefunded account is associated with the tag (claim 54); or distributing the first reward to the tagholder by the financial institution (claim 56) or to the tagholder upon demand by the tagholder to the financial institution (claims 50 and 54). Accordingly, these references do not support a *prima facie* case of obviousness and this rejection should be withdrawn.

a. Johnson discloses a reward in a loyalty program provided by the business that sponsors the loyalty program.

The Examiner asserts that Johnson discloses a tag linked to a credit card to pay for services, goods and/or tolls that may be prefunded with a preset amount. See Office Action at 2. The prefunded amount may be replenished if it reaches lower than a predetermined limit. See Office Action at 2. According to the Examiner, the tag may be used in association with a loyalty program where customers collect bonus points based on the aggregate tag usage which can be redeemed for benefits or privileges. See Office Action at 2. The Examiner explains that different tags having different usages may be linked to a single credit card, which could result in

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accelerated accumulation of air mileages, purchasing gas at discounted prices, more charitable donations or the like. *See* Office Action at 3.

Johnson discloses a RFID device adapted to communicate with a POS device to provide secure transactions. *See* Abstract. The device communicates bi-directionally with the POS device, and the POS device communicates with a host network to provide authorization of the tag and carry out purchases or transactions. *See* col. 2 at lines 62-67. Each tag is provided a unique identifier, and the host network maintains account and financial information associated with the tag having the unique identifier. *See* col. 3 at lines 12-15. The tag is authenticated using cryptographic techniques known only by the tag and the host, but not the POS device. *See* col. 3 at lines 22-24. This is done by encryption of a random number by the tag, where the POS device provides the random number, and transmission of the original random number and the encrypted random number to the host. *See* col. 3 at lines 29-36. The host encrypts the original random number, and compares it to the received encrypted random number. *See* col. 3 at lines 36-44. A positive match authenticates the tag. *See id.* Relevant to this rejection is the disclosure in Johnson that the tag may communicate with other sources, such as at a restaurant or other goods or services provider. *See* col. 2 at lines 22-34. These businesses may provide loyalty points that relate to the number of visits or amount of purchase at those businesses by the tagholder. *See* col. 2 at lines 34-41. These loyalty points may be stored and accumulated in a memory on the tag. *See* col. 4 at lines 25-36; col. 12 at lines 10-14. The tag of Johnson allows access to a plurality of accounts. *See* col. 2 at lines 17-21. Notably, in Johnson, the rewards are provided by the "local sources." *See* col. 4 at lines 30-36.

There is no disclosure in Johnson of a first reward attributed to an account calculated by a host computer of a financial institution based on aggregate tag usage of a tag regardless of point of purchase. Rather, Johnson discloses loyalty benefits awarded to a tagholder based only on aggregate tag usage at the business of the sponsor of the loyalty program. In Johnson Jr., it is the local *business*, and not the financial institution, that "provide[s] loyalty points for a tag holder relating to the number of visits or amount of goods or services purchased" as well as benefits based on the loyalty points. *See* col. 2 at lines 34-36; *see also* Office Action at 9 where the

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Examiner states that Johnson "discloses that the bonus points *may be redeemed as desired for benefits or privileges at the fuel station or any other local source.*" (emphasis added).

Applicant further respectfully disagrees that Johnson's disclosure of a "loyalty program" discloses the invention of claims 36, 50 and 54. The invention is not related to a "loyalty program" that encourages a customer to repeat business at a particular business because he or she is offered benefits and privileges based on his or her volume of business at that particular business. *See, e.g.*, U.S. Patent No. 6,549,912 B1 at col. 1, lines 11-13 ("Many businesses currently make use of so-called 'loyalty' programs that reward customers for frequent purchase of the business's products or services."); U.S. Patent No. 6,486,768 B1 at col. 2, lines 1-3 ("One method increasingly used by retailers to encourage repeat business is a frequent shopper program, also known as a reward or loyalty program.") These patents are attached as Exhs. A and B, respectively.

Johnson's description of a "loyalty program" is consistent with the common understanding of the term, "loyalty program," in that it encourages further purchases from or visits to the particular business that awards the loyalty points, based on number of visits and purchases. *See, e.g.*, col. 2 at lines 34-37 ("businesses may want to provide loyalty points for a tag holder relating to the number of visits or amount of goods or services purchased.") This understanding is consistent with other parts of Johnson's disclosure as well, where Johnson expressly indicates that the loyalty points that are stored on the tag of the invention are specific to the particular business that grants the loyalty points. *See* col. 2 at lines 30-34 ("service stations or restaurants may want to access various types of non-confidential information on the tag to determine identification or other information relating to *their particular business* . . . [b]ased on this information, the businesses may want to provide loyalty points for a tag holder relating to the number of visits or amount of goods or services purchased.") (emphasis added). There is no indication in Johnson that the terms "loyalty programs" and "loyalty points" are defined in any other than their ordinary and accustomed meaning.

Johnson's disclosure of a loyalty program does not disclose the reward of claims 36, 50 and 54 for at least the reason that the reward of claims 36, 50 and 54 does not encourage repeat business by a customer at a particular business, as does the loyalty program described in

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Johnson. Rather, the inventions of claims 36, 50 and 54 provide a first reward to an account based on aggregate use of a tag, with no limitation on where the tag may be used in order to be rewarded. Additionally, the first reward of claim 56 is provided to the tagholder by the financial institution, not a local business, whereas in Johnson Jr. it is the *business* that awards both loyalty points for goods and services purchased at that business *and* the benefits. The first reward of claims 50 and 54 are provided to the tagholder upon demand by the tagholder to the financial institution, not upon demand by a tagholder to a local business as in Johnson.

The Examiner further asserts that there is no limitation in the claims that loyalty points are awarded based on aggregate tag usage regardless of point of purchase. *See* Office Action at 9. Applicant respectfully submits that each of independent claims 36, 50 and 54 includes the limitation "aggregate tag usage," and also bases a reward on "aggregate tag usage." The term "aggregate" in its ordinary and accustomed meaning is defined as "the whole sum or amount, sum total." *See* MERRIAM WEBSTER'S COLLEGIATE DICTIONARY, 10th ed.. (1993) at 23 (attached as Exh. C). Thus, the term "aggregate tag usage" refers to the sum total usage of the tag. Applicant respectfully submits that the use of the term "aggregate" in claims 36, 50 and 54 encompasses all uses of the tag, regardless of point of purchase, since it is not limited to aggregate usage at only a particular point of purchase.

b. Walker discloses a reward attributed to an affinity group sponsor of an account.

The Examiner asserts that Walker discloses a method for calculating and attributing a customized reward to an affinity group of credit card holders. *See* Office Action at 3. The affinity group or a member of the affinity group may receive a predetermined reward. *See id.*

Walker discloses "an apparatus for providing and managing a customized reward offer to an affinity group sponsor based on the aggregate performance of members of the group." *See* Abstract. According to Walker, credit card accounts are often sponsored by an affinity partner, such as a trade group, an alumni association, a religious organization, a sports team or a professional association. *See* col. 1 at lines 30-39. The affinity group sponsor benefits from usage of the credit card accounts that belong to the affinity group partner that sponsors the account. *See* col. 1 at lines 23-29. In Walker, the reward provided to the affinity group may be

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based on aggregate performance data of the financial accounts controlled by members of the affinity group, or comparing aggregate performance of accounts controlled by members of the affinity group to a target performance. *See* col. 2 at line 50 to col. 3 at line 6. The object of the invention of Walker is to promote the use of financial accounts and to allow a credit card issuer to tailor rewards provided to affinity groups. *See* col. 3 at lines 12-14.

There is no disclosure in Walker of a first reward calculated by a host computer of a financial institution that is awarded based on aggregate tag usage for a tag associated with an individual account, or a second reward attributed to a collective account, as in claims 36, 50 and 54. There also is no disclosure in Walker of a reward to a tagholder at all, much less a first reward based on aggregate tag usage that is distributed to the tagholder by the financial institution (claim 56) or distributed to the tagholder upon demand by the tagholder to the financial institution (claims 50 and 54). In fact, Walker does not disclose the use of tags.

c. Even in combination, Johnson and Walker do not disclose the claimed inventions.

A *prima facie* case of obviousness requires that there be some motivation or suggestion to combine the reference teachings; there must be a reasonable expectation of success; and the prior art reference or combination of references must teach or suggest *all* claim limitations. *See In re Vaech*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); MPEP § 2143 (emphasis added); *In re Royka*, 490 F.2d 981, 984-85 (C.C.P.A. 1974); *In re Wilson*, 424 F.2d 1382, 1385 (C.C.P.A. 1970). Here, the combination of Johnson and Walker do not have a reasonable expectation of success because this combination results in the tag of Johnson used to make purchases funded with an account associated with the tag that is also associated with an affinity group, where the account holder is awarded loyalty points redeemable for benefits at local businesses that award the loyalty points and the affinity group is rewarded based on usage of the account.

In contrast, the invention bases its first reward on aggregated *tag* usage, as explained in Applicant's Amendment dated October 16, 2003 at pp. 10-11. Additionally, the affinity group (organization) in the invention earns a reward when the *tag* is used to make purchases, not when the *account* is used to make purchases. According to the invention, a tagholder may additionally earn a third reward based on underlying *account* usage (claim 41). Further, the first reward is

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distributed to the tagholder by the financial institution (claim 56) or upon demand by the tagholder to the financial institution (claims 50 and 54). Finally, in claim 54, the first reward is attributed to a second account rather than the account that is associated with the tag. None of these claim limitations are disclosed in either of Johnson or Walker. Accordingly, even if there were a motivation to combine the references, the combination would achieve something *other* than the claimed invention.

Since a combination of Johnson and Walker do not disclose each and every limitation of claims 36-58, it cannot support a *prima facie* case of obviousness.

2. Claims 42 and 43.

Claims 42 and 43 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Akiyama. See Office Action at 6. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and that the tags comprise an LED and LCD. See Office Action at 6. According to the Examiner, Akiyama discloses a tag using LED and LCD, and that it would have been obvious to one of ordinary skill in the art to have substituted the tag disclosed in Johnson as modified by Walker with the tag disclosed in Akiyama. See Office Action at 6.

With respect to claims 42 and 43, Applicant submits that Johnson in view of Walker and further in view of Akiyama does not disclose each and every element of independent claim 36, from which claims 42 and 43 depend, and specifically does not disclose a first reward attributed to an individual account associated with a tagholder that is calculated by a host computer of a financial institution based on aggregate tag usage. See Sec. A.1 *supra*. Therefore, this combination of references cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

3. Claims 48 and 49.

Claims 48 and 49 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Ricci. See Office Action at 6-7. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and the mode of operation of the tags. See Office Action at 7. According to the Examiner, Ricci discloses a tag that operates in full-duplex communications

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mode, and that transponders inherently operate in half-duplex mode communication type. *See id.* Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art to have incorporated the tag capable of operating in full duplex mode as disclosed in Ricci for the purpose of increasing the amount of data exchanged using the same amount of time. *See id.* at 7.

With respect to claims 48 and 49, Applicant submits that Johnson in view of Walker and further in view of Ricci does not disclose each and every element of independent claim 36, from which claims 48 and 49 depend, and specifically does not disclose a first reward attributed to an individual account associated with a tagholder that is calculated by a host computer of a financial institution based on aggregate tag usage. *See* Sec. A.1 *supra*. Therefore, this combination of references cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

4. Claims 37 and 38.

Claims 37 and 38 were rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Khan. *See* Office Action at 7-8. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and that the tags comprise a sound-generating device. *See* Office Action at 8. According to the Examiner, Khan discloses a transponder that comprises a sound generating device. *See id.* Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art to have incorporated the tag capable of generating an audible tone or message along with a visual message as disclosed in Khan. *See id.*

With respect to claims 37 and 38, Applicant submits that Johnson in view of Walker and further in view of Khan does not disclose each and every element of independent claim 36, from which claims 37 and 38 depend, and specifically does not a first reward attributed to an individual account associated with a tagholder that is calculated by a host computer of a financial institution based on aggregate tag usage. *See* Sec. A.1 *supra*. Therefore, this combination of references cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

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CONCLUSION

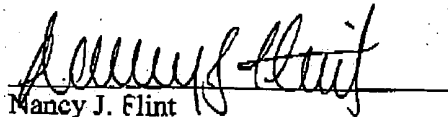
Applicant respectfully submit that claims 36-58 are in condition for allowance and earnestly solicits the same in view of the amendments and remarks made herein. This RCE has been filed within five months of the mailing date of the Office Action of December 18, 2004, and Applicants hereby authorize the Commissioner to charge the fee of \$420.00 to the undersigned's Deposit Account No. 50-0206 for a two month extension of time. If any variance from these fees are found, please credit or charge the difference to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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